

HOME FRONT

NEW JERSEY HOUSING & MORTGAGE FINANCE AGENCY

WINTER 2001

MESSAGE FROM THE EXECUTIVE DIRECTOR

The past year has been one of great accomplishments for HMFA. Bond sales totaling \$428.6 million funded our existing programs and made 2000 a year filled with groundbreakings, ribbon cuttings, and the joy of watching families become home owners for the first time.

One of the year's greatest successes was the sixth annual Governor's Conference on Housing and Community Development in October. For our second year in Atlantic City we had record attendance with more than 900 professionals from all areas of the housing industry joining us. The annual conference not only offers an opportunity to network and share new ideas, but to recognize some of the organizations and individuals who are good at what they do. You can read about the 2000 award winners in this month's cover story.

In 2001, HMFA will continue to grow through expanded services and new products that promote affordable housing, vibrant cities, and neighborhood pride. I look forward to sharing stories of our accomplishments and service to the people of New Jersey in future issues of *Home Front*.



DEBORAH DE SANTIS

GOVERNOR'S CONFERENCE ATTRACTS 900 INDUSTRY PROFESSIONALS

Housing professionals from across the state turned out in record numbers to attend the sixth annual Governor's Conference on Housing and Community Development, held in October at the Atlantic City Convention Center. Each year the Governor's Conference is hosted by the state Department of Community Affairs (DCA), HMFA, the Council on Affordable Housing, the New Jersey Redevelopment Authority and the Office of State Planning. Attendees were given the opportunity to learn about current housing issues through 41 different breakout sessions, and at the trade show where 60 vendors offered the latest in technology and services.

The highlight of the conference each year is the presentation of the Excellence in Housing and Tenant of the Year Awards. The Excellence in Housing Awards recognize developments, initiatives, organizations and individuals



The city of Elizabeth won the New Jersey Best Practices Award for Outstanding UCC City.

Pictured, from left, are: HMFA Executive Director Deborah De Santis; William O'Dea, deputy executive director of the Elizabeth Development Company; Fatimah Raymond, UCC Community Director for Elizabeth; and Keith Jones, Director of the Department of Community Affairs' Division of Housing and Community Resources.



Department of Community Affairs Commissioner Jane M. Kenny greets representatives from First Union National Bank at the trade show.

whose efforts have increased the quality and availability of affordable housing for New Jersey families. Those individuals selected for the Tenants of the Year Awards are nominated by their peers for their community spirit, neighborly attitude and positive impact on those around them.

"Each of the housing award recipients is recognized for a commitment to providing New Jersey residents with housing options that are safe, clean and affordable," said HMFA Executive Director Deborah De Santis. "Selecting both the housing and tenant award recipients is a challenge when so many individuals and organizations deserve to be recognized for their good work."

2000 TENANT OF THE YEAR AWARD WINNERS

Cora Tesauro, Somerville Senior Citizens' Housing
Rose Meng, Pinewood Hall
Abner Mendoza, Penn Village Apartments
Sheila Richardson, Transitional Housing Program
Emma Lewis, Regional Opportunity Counseling Program
Tanya Ellis, Family Self-Sufficiency Program

NEW JERSEY BEST PRACTICES AWARD

Outstanding Urban Coordinating Council City
Elizabethport, Elizabeth



SIL PROGRAM WELCOMES 40TH DEVELOPMENT

By Maria DiMaggio, MSW
Social Services Administrator

In October, HMFA welcomed Golden Age Towers in Rahway as the 40th development to participate in the award-winning Services for Independent Living (SIL) program. The SIL program was established in 1988 to promote independent living and enhance the quality of life of residents in Agency-financed senior housing developments. The program provides training and workshops to on-site service coordinators, including assistance in the development of programs and services to meet the needs and interests of the residents.

The 196-unit Golden Age Towers, managed by Coughlin Management Company, has many services already in place. Currently the building has an on-site grocery store and is home to one of the county's nutrition centers, which provides lunch five days a week for a small donation. Golden Age Towers is also the location of Rahway's transportation center for senior citizens.

The SIL coordinator is responsible for providing case management services, including referral and resource coordination. The coordinator is working with HMFA to establish an Assisted Living Program at Golden Age Towers, licensed through the Department of Health and Senior Services, to provide medication monitoring and on-site health screening services.

Marianne Coughlin, president of Coughlin Management Company, said, "The training and education provided to on-site coordinators by the SIL program is a benefit, not only to the coordinator, but for the residents as well. It will ensure that our residents will be able to age in place with an enhanced quality of life."

The Services for Independent Living program is available to any Agency-financed senior citizen housing development.



For more information, contact Maria DiMaggio, HMFA's Social Services Administrator at 609-278-7512.

TAX CREDITS ASSIST AFFORDABLE DEVELOPMENT

By Martin Bershtein, Director

Division of Regulatory Affairs & Tax Credits

On November 30, 2000, the HMFA Board of Directors approved the draft 2001 Federal Low Income Housing Tax Credit Qualified Allocation Plan (QAP) and is expected to approve the final QAP at the end of January. HMFA anticipates announcing the 2001 LIHTC awards in June.

There is significant interest in the Low Income Housing Tax Credit Program because of its value and impact on creating and rehabilitating affordable rental housing. The program was created in 1986 and is the longest running federal housing program. Yet even after so many years, people are still perplexed as to how the credit works.

Most people are familiar with tax deductions because of their experience with individual tax filings, which allow deductions for dependents. A credit is more valuable than a deduction because it is a dollar for dollar reduction in tax liability in contrast to a deduction,

which is impacted by a taxpayer's income bracket. For example, a corporation in the 35% tax bracket will only benefit 35 cents for each \$1 of deductions in contrast to a full \$1 for a credit.

In passing legislation creating the tax credit for low income housing, the government was seeking to artificially inflate the return on an investment in affordable housing to stimulate the infusion of private equity into an historically underserved marketplace. Investors could now enjoy the additional benefit of the credit in combination with depreciation tax losses, cash flow, and inherent real estate value. With this additional source of private equity, developers can construct or rehabilitate properties with less debt mitigating the need for high rents.

The Low Income Housing Tax Credit program has spurred construction of more than 14,634 new rental units statewide since 1987, and is just one of the many financing programs HMFA offers to help developers complete essential and worthy projects.

SENIORS - MAYBE IT'S TIME YOUR HOME PAID YOU BACK

An increasing number of Americans are living longer. In the years to come, New Jersey's senior citizens will continue to make up an increasingly large proportion of our population. Today, more than ever, seniors are active and contributing members of our communities with changing lifestyle needs.

Today's senior home owners are finding that the investment they made in purchasing a home has increased significantly in value over the years. HMFA offers several reverse mortgage programs that allow you to use that investment in your home to sustain or enhance the quality of your lifestyle. If you are a senior home owner, age 62 years or older, you now have the opportunity to convert some of your home's equity into cash without having to sell your home or take on conventional loan payments.

With a reverse mortgage home owners can choose a lump sum payment, line of credit or a variety of different annuity payment plans. Annuity payments are based on the borrower's age and the home's value. You always maintain ownership of your home and, as long as you continue to live in your home, no repayment is required. The loan only becomes

payable when you no longer occupy the home as your primary residence.

The benefits you receive from an HMFA Reverse Mortgage Program will not affect your Social Security or Medicare eligibility benefits. However, if you receive Supplemental Security Income (SSI) or Medicaid benefits, both of which are based on need, these benefits may be affected by reverse mortgage payments. Your local offices for SSI, Medicaid, and other programs from which you receive benefits will be able to determine if reverse mortgage payments would affect your particular situation.

In an effort to make more seniors aware of the advantages of a reverse mortgage, HMFA's reverse mortgage specialist Dennis Richardson has visited Senior Offices in Mercer, Ocean, Essex, Camden and Atlantic counties. Dennis plans make similar visits to the other 16 counties in the near future. In addition to visiting the senior offices, Dennis personally handles all reverse mortgage inquiries for the Agency by meeting with seniors and family members at their homes.

Over the years you have put a lot into your home. Isn't it time your home paid you back?

To learn more about HMFA mortgage programs, please call the hotline at 1-800 NJ-HOUSE.

Two of HMFA's urban redevelopment programs received awards from the National Council of State Housing Agencies (NCSHA) at its annual conference in September. One of the programs in Governor Christie Whitman's Urban Tool Kit, the New Jersey Urban Site Acquisition Program (NJ-USA) won the 2000 Annual Award for Program Excellence in the category of Homeownership: Encouraging New Production. HMFA also received a Significant Achievement Award for its Public Housing Production Partnership Program in the category of Rental Housing: Encouraging New Production.

"The Whitman Administration has developed a number of programs to aid urban municipalities in addressing their housing needs and to encourage redevelopment efforts. We are honored to receive national recognition for two HMFA programs dedicated to financing new home ownership and rental opportunities in New Jersey cities," said Department of Community Affairs Commissioner Jane M. Kenny

The New Jersey Urban Site Acquisition Program combines the financial resources and technical expertise of HMFA, the New Jersey Economic Development Authority (EDA), the Department of Community Affairs (DCA) and the New Jersey Redevelopment Authority (NJRA) to acquire abandoned urban sites that are encumbered by title, back tax claims and other issues including environmental clean up and demolition costs, that have prevented the properties from being redeveloped. HMFA has set aside \$20 million in support of single family and multi-family housing initiatives under the NJ-USA program. Over \$12.8 million has already been allocated to urban redevelopment projects with an affordable housing component.

Under NJ-USA, the state provides short term loans to local governments, non-profit groups and private developers to acquire title to properties needed for viable redevelopment plans including much-needed urban housing opportunities. The sites to be acquired must be located in one of 67 targeted municipalities and be part of a community redevelopment plan. In addition to receiving financial assistance to acquire the properties, developers and sponsors

may apply for additional project funding from the state agencies.

"HMFA has surpassed its initial contribution to NJ-USA and leveraged approximately \$3 million to acquire property in the city of Camden that will be developed into rental housing," said HMFA Executive Director Deborah De Santis. "We are also in the process of acquiring sites for redevelopment in Hoboken, Belleville, Asbury Park and Long Branch."

HMFA's second award-winning program encourages new rental housing production by offering New Jersey's public housing authorities a forum for exchanging new ideas and accessing a variety of funding sources from state, federal and private entities. Through the Public Housing

Production Partnership Program, HMFA staff coordinate on-going technical assistance, training sessions and roundtable discussions for housing authorities on growth strategies and accessing HMFA resources to develop sustainable communities.

These resources include a Low Income Housing Tax Credit set-aside for projects that receive federal HOPE VI funds to redevelop public housing structures and construction financing for public housing replacement units produced under the U.S. Department of Housing and Urban Development's Turnkey Program. HMFA has provided \$114 million in financing and \$5 million in LIHTC to public housing replacement projects, resulting in new rental housing for 1,500 families.



HMFA Executive Director Deborah De Santis (left) presents the Excellence in Housing Award for Outstanding Sustainable Housing Development to Ed Martoglio of RPM Development, accepting on behalf of West Side Village in Newark.



HMFA Executive Director Deborah De Santis (right) and NJRA Executive Director William Best (left) present Sheila Richardson with a 2000 Tenant of the Year Award.

2000 EXCELLENCE IN HOUSING AWARD WINNERS		
AWARD	RECIPIENT	PROJECT/PROGRAM
Outstanding Sustainable Housing Development	Newark West Side Urban Renewal	West Side Village at North 13th Street, Newark
Outstanding Adaptive Re-Use of an Existing Property	Hopewell Housing Partners	Hopewell Place Senior Apartments, Bridgeton
Outstanding Urban Development	JP Affordable Housing/C.U.R.E.	Mt. Calvary Commons, Newark
Outstanding Community Organization	Housing Partnership for Morris County	—
Outstanding Consumer Organization	Somerset County Coalition on Affordable Housing	—
Outstanding Urban Community Initiative	City of Trenton	Home Ownership Zone Project
Outstanding Individual Achievement	Carol Wolfe, Affordable Housing Administrator, Township of Brick	—
Outstanding Cooperative Funding Initiative	New Jersey Community Loan Fund and The Reinvestment Fund	Pre-Development Partnership Loan Program



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UPCOMING EVENTS

JANUARY

- UNION COUNTY REALTORS' LUNCHEON
- 3^{1ST} • TAX CREDIT COMPLIANCE CERTIFICATIONS DEADLINE

FEBRUARY

- MEADOWLANDS REALTORS' LUNCHEON
- 8 & 9TH • TAX CREDIT APPLICATION TRAINING SESSIONS
- 15TH • UHGRP APPLICATIONS DUE

MARCH

- MERCER COUNTY HOUSING FAIR
- 2^{1ST} • 2001 TAX CREDIT APPLICATION DEADLINE

APRIL

- 28TH • PERTH AMBOY HOUSING FAIR

HMFA is always seeking experienced, qualified individuals to fill vacant positions within the Agency. HMFA offers a generous benefit package that includes: health, dental, prescription, vision, life and long term disability; tuition assistance for both undergraduate and graduate studies; pension and deferred compensation plans; extensive holiday, vacation, personal and sick leave packages; and flexible working hours. Vacancies are listed on the HMFA web site: www.nj-hmfa.com under Employment Opportunities. Resumes may be mailed to HMFA, Human Resources, P.O. Box 18550, Trenton, NJ 08650-2085 or faxed to 609-278-8858.



CHRISTINE TODD WHITMAN
GOVERNOR

JANE M. KENNY
COMMISSIONER, DCA
CHAIRMAN, HMFA

DEBORAH DE SANTIS
EXECUTIVE DIRECTOR

HOME FRONT WINTER 2001

Home Front is a newsletter produced by the **New Jersey Housing and Mortgage Finance Agency (HMFA)**. HMFA creates and implements programs to advance the rehabilitation, construction and financing of affordable housing for the state's residents, lenders, developers, and contractors. HMFA is the state administrator for federal housing assistance programs, and works in cooperation with state, municipal and not-for-profit agencies. HMFA secures program funding and operating expenses through the sale of taxable and non-taxable bonds to private sector investors, and is not dependent upon funding from the state Treasury.

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